# Voice Of The Customer

## Idea In Short

VoC is the process of gathering and understanding customer feedback to directly improve product, service and customer experience. VoC programs include a wide range of tasks, from collecting data, to extracting insights, to putting them to work in your customer life cycles.

The term Voice of the customer [VoC] denotes giving prominence to the customer. Through VoC, you elicit their views of, experiences with and feedback about your brand.

## Case Apple

Apple is, undoubtedly, one of the most recognizable and influential brands in the business. It is known for its sleek designs, innovative products, and exceptional customer experience. Apple co-founder Steve Jobs learned the value of customer early on. During a presentation at the 1997 Worldwide Developer Conference, Jobs said that:

> One of the things I've always found is that you've got to start with the customer experience and work backwards to the technology. You can't start with the technology and try to figure out where you're going to try to sell it. [...] As we have tried to come up with a strategy and a vision for Apple, it started with, What incredible benefits can we give to the customer? Where can we take the customer?"

Jobs's message is one that organizations across every industry should take to heart. Customer experience is the new competitive battlefield. To maintain market share and get ahead, companies must focus on customer experience. Customer experience should influence everything from product development to sales and marketing strategy. To do so, organizations must start by listening to the Voice of the Customer [VoC].

## Case Amazon

Similarly, Amazon is incredibly customer-obsessed. At all meetings, Jeff Bezos always set up an empty chair to represent the customer. As a result, Amazon.com, founded to be the Earth's Most Customer-Centric Company, is now an international leader in customer centricity. Jeff Bezos is known for saying:

> Start with the customer and work backward

That's the reason that every project or product at Amazon starts with a press release that features sample customer anecdotes. According to Jeff Bezos:

> Done correctly, the Working Backwards process is a huge amount of work. But, it saves you even more work later. The Working Backwards process is not designed to be easy, it's designed to save huge amounts of work on the back end, and to make sure we're actually building the right thing.

First, Amazon's teams think through all of the reasons it should build hypothetical product in an FAQs document. Then, it drafts a Press Release [PR] that would compel a target customer to buy the product. The product team should have been sufficiently customer-obsessed in writing the press release. Else, there's no case for them to actually build the product. https://www.youtube.com/watch?v=aFdpBqmDpzM

## What is VoC?

The voice of the customer, or VOC, is a structured process of directly gathering customer feedback. Customer perceived value refers to the value that customers assign to a product or service based on whether they believe it will meet their needs or expectations. Typically, when determining the perceived value of an item, customers weigh its perceived benefit against its perceived cost. If the perceived benefit outweighs the perceived cost, the item will have a positive perceived value; if the inverse is true, the item will have a negative perceived value. Specifically, the VoC process gathers the needs, wants, expectations, performance and experiences of your products or services. By focusing on the voice of the customer, the VoC process identifies their most important needs and expectations. Once

identified, companies would then gear their business model to be more in line with customer wants. In general, you can classify customer needs as related to quality, cost, safety, service, delivery, and increasingly, social responsibility. Therefore, organizations should pursue these aspects to satisfy their customers.

## Who is a customer?

A customer is a person, organization or entity that is the direct recipient of your product or services. Sometimes the term stakeholder is used as a type of customer. However, in reality, they are rarely the direct receiver. Stakeholders may have stake or interest in the well being of your organization. But, they may not be the direct recipients of our outputs i.e. products or services. A customer may be:

- External, or
- Internal

An external customer directly receives your output and is the primary source for your revenue and income. An internal customer is a different person or department within your organization that receives your or your department's outputs. They generally do not pay you for your work product or services.

## Why is VoC important?

Organizations that understand their customer journey are likely to improve their offerings to fit their customers' needs. To that end, VoC programs help organizations retain customers, build better products, deliver better services, and systematically drive change. This, in turn, fosters their loyalty. Leveraging customer insights helps:

- **Increase revenue:** Through reduced churn, improved cross-sell opportunities and the ability to attract new customers
- **Reduce costs:** By improving processes, ensuring compliance and creating greater process consistency
- **Promote culture change:** By driving customer-centricity and cross-functional change

## How to implement a VoC program?

Follow the 5 stages to ensure that your VoC program delivers the insight to build a strong customer strategy.

1. **Define:** Your VoC program should be aligned with your overall business strategy. Create clear, phased objectives and success criteria. Then, map your customer journey and your key Moments of Truth
2. **Design:** Design your program to deliver both, tactical and strategic benefits. Select a robust, powerful and scalable program framework. For example, include components, such as sampling, feedback channels, customer journey maps, surveys, and reports
3. **Listen:** Implement multi-channel data collection mechanisms tailored to your customers' needs to facilitate their feedback. Furthermore, use a secure tool to collect customer feedback, while respecting their customers' privacy
4. **Analyze:** Perform advanced analysis of the feedback. Include both, structured and unstructured data for your analysis. Design tailored reporting to provide actionable insight at every level of the organization
5. **Act:** With the actionable insight you collected, work quickly to resolve individual customer issues. Address critical issues that require immediate remediation. Identify the root cause of issues that cause repeated problems. Enforce mechanisms to permanently resolve those issues to improve customer experience

## Summary

Understanding and properly responding to the VoC is the primary determinant of the long-term success and survival of an organization. There are a number of methods by which an organization can collect and understand what customers tell them. Mastering VoC is an existential necessity of any organization that wants to sustainably focus on customer experience. Fact-based VoCs enable you to constantly adapt your business strategy to better meet customer needs and achieve your financial goals.